

Providing a model of financial decisions and efficient financial knowledge to improve cost management in the industry with a grounded theory approach (Case study: Shoe and leather industry of East Azerbaijan province)

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Abstract

The purpose of this research was to present a model of financial decisions and efficient financial knowledge to improve cost management in the shoe and leather industry of East Azerbaijan province. This research was applied in terms of purpose and was mixed (quantitative and qualitative) in terms of its nature. In the qualitative part, the method of interviews and foundation data was used, and in the quantitative part, the method of structural equations was used. The statistical population of the research in the qualitative part includes university professors specializing in management and accounting, and the quantitative part includes managers and specialists in the shoe and leather industry of East Azerbaijan province. According to the principles of qualitative methods, 20 experts were selected for interviews and the qualitative part of the research, and in the quantitative method, 150 cases were selected as a sample by sampling from the managers and employees of the management and accounting department of the shoe and leather industry in East Azarbaijan province. To analyze data in a qualitative method, MAXQDA software was used and SMART PLS software was used in a quantitative part. Based on the research results, a total of 94 subcategories in 30 codes and finally 5 main categories (financial decision efficiency, financial efficiency and literacy, cost control and reduction, effective strategies, and cost management consequences) were determined. It was extracted based on the interview method. In the quantitative section, based on the method of structural equations, the developed model had a favourable fit with a value of 0.513.

Keywords: financial decisions, effective financial literacy, cost management, shoe and leather industry
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1 Introduction

Today, the issue of cost management occupies the minds of managers of organizations and companies more than any other category, and a considerable part of management and management accounting writings is devoted to it. The important point is that reducing costs should not lead to a decrease in customer satisfaction. Cost management requires

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the use of tools and techniques that have been invented in the field of accounting and management and are widely used in successful and so-called world-class organizations [19]. Cost management is one of the most strategic areas for achieving success today in the financial and organizational performance of companies in the competitive market. Through cost management, it is not only scientifically possible to accurately allocate costs to productive activities, but also through cost management, it is possible to choose the best route and revenue-generating strategy for the company. In cost management, measuring the cost of resources that are used to perform the main activities, identifying and removing items from the cost that do not create added value, determining the efficiency and effectiveness of the main activities carried out in the economic units, identifying and evaluating new activities that it is possible to improve the future performance of the organization in order to improve performance [11].

As increasing in the level of expenses, far from spending them in the revenue sector, financial institutions and companies face stagnation and the inability to pay interest on facilities and cannot achieve development plans. Also, due to the high expenditure of the company in the income department, the amount of accounting and auditing obligations has increased and it is no longer able to respond to new customers or profitable projects, and factors such as high risk of facilities, failure to receive claims on time. Decreasing the time value of money can be a problem for financial institutions and companies [18].

Today, understanding the concepts and skills related to financial literacy has become necessary because it enables the consumer to survive in modern society and resist the diversity and complexity of the available financial products and services [21]. Investment today has become a dynamic and challenging field. A successful financial decision depends to a large extent on the level of knowledge and financial literacy of the individual. Financial literacy indicates that a person can understand the key to finance, in addition to having self-confidence and the ability to make short-term and long-term investment decisions based on changing economic conditions [4]. At present, the global market, especially in financial areas, is increasingly risky and unpredictable. People who can interact with these issues should make good financial decisions with high awareness. The studies conducted show that financial literacy provides a criterion for determining people's understanding of financial concepts. Financially literate people have the ability and self-confidence to make good decisions and long-term planning in the direction of financial stability. Self-management of personal finance is not possible without taking into account events and changing economic conditions [6]. Having the skills related to financial literacy enables people to make informed decisions about their finances and minimize the possibility of any financial mismanagement and the negative consequences associated with it [7].

Financial literacy is defined by the Financial Foundation for Research in Education in England as follows: the ability to make informed judgments and make effective decisions about the use and management of monetary resources. After this topic was proposed, the topic of financial literacy became a very important research topic, so it was first noticed by researchers in England and America and subsequently in other countries such as Australia, Holland, Italy, and Malaysia. In England, the concepts of personal finance (financial literacy) have been seen as a part of national education programs [3]. Tootian Isfahani et al. [24] investigated the relationship between self-control strategies, financial literacy of managers and the quality of decision-making in the financial issues of the supply chain process of companies listed in the Tehran Stock Exchange. They concluded that there is a statistical relationship between self-control strategies, managers' financial literacy strategies (money and savings management, financing and credit management, and investment planning) and the quality of decision-making in the financial issues of the supply chain process of companies admitted to the Tehran Stock Exchange. Eslami Mofidabadi et al. [10] worked on designing and explaining the model of financial decisions of micro participants and agents of the financial system in line with the development of Iran's financial markets. Mohammadi and Rahmani Nouroozabad [15] investigated the consequences of financial literacy on investors' decisions and investment performance and concluded that the effect of financial attitude and financial behaviour on investors' decisions is positive and significant. Also, investors' decisions have a positive and significant effect on investment performance. In a research titled investigating the effects of behavioural financial factors, especially personality traits, on the decisions of individual investors Gorjizadeh and Khan Mohammadi [9], in research entitled Investigating the effects of behavioural financial factors, especially personality traits, on the decisions of individual investors, came to the conclusion that the amount of current return earned by the investor in the stock market, investment, year, respectively. The presence in the stock exchange, the income and the investment horizon have the greatest effect on the amount of people's investment in the stock exchange. Moradi and Izadi [16], in a quantitative approach survey descriptive study, with the title of investigating the impact of investors' financial literacy on the decision to invest in securities, focused on identifying the factors affecting investment decisions and investigating the relationship between the level of financial literacy of investors and the decision their investments.

Cao et al. [5], in research entitled Investigating behavioural factors on the decision-making of individual investors and investment performance in the Vietnamese stock market, concluded that exploratory behaviour, vision, market and herd behaviour have a significant positive effect on investment decision-making. Also, the above factors have a

direct (positive) effect on investment performance; In particular, the perspective factor has the strongest influence on investors' decision-making and investment performance. The main findings of this research show the important role of exploratory behaviour, perspective, market and herd behaviour on investors' decision-making and investment performance. Sattar et al. [21], in research on the influence of financial behavioural biases in investment decision-making, concluded that behavioural biases have a significant impact on investment decisions. Also, the experimental results of this research show that exploratory behaviours are more influential than perspectives and personality traits in investment decision-making. Areiqat et al. [2], in a study on Amman Stock Exchange concluded that behavioural financial factors including loss aversion, overconfidence and herd behaviour have a significant effect on investment decisions in people. The growth and profitability of companies is realized through creating value for customers. Customer satisfaction depends on how valuable and quality products and services are offered to them at the right price and at the right time compared to competitors. Cost management is a concept that greatly fulfils the above goal. Cost management is an improvement philosophy because it tries to find appropriate ways to make decisions that involve creating value for customers along with reducing costs.

In explaining the necessity of the current research, it can be stated that the issue of financial literacy and the need to investigate it is important in the sense that the lack of financial literacy overshadows the lives of individuals, their families, friends and business partners due to making inappropriate financial decisions. This has inappropriate effects on society and even causes a decrease in the national wealth and ultimately a decrease in the level of financial well-being in the society [22]. Among the issues that show the importance of financial decisions is that the manager's decision can direct the performance and behavior of employees in a direction that matches the organization's goals; because the manager's decisions express and reflect the goals of the organization. Therefore, the manager's decision-making helps the employees to understand these goals better. Also, the manager's decisions determine the excellent behaviour and the type of performance that is expected from the individual in different organizational jobs. The ability to make informed judgments and make effective decisions in the use of monetary resources and its management is called financial literacy [26]. The body of knowledge is the understanding of financial affairs, which includes the examination of financial phenomena, their nature, laws and relationships that govern them. Lack of understanding of economics and finance is a disincentive to stock ownership, and the loss of well-being caused by not participating in capital markets due to a lack of financial literacy is significant. It is clear that investors, who are not aware and lack sufficient financial literacy, will not be able to fully use the financial market and make wise choices, which will lead to efficient investment. It is clear Ignorant investors with insufficient financial literacy will not be able to fully use the financial market and make wise choices, which will lead to efficient investment [25]. From the point of view of Fonseca et al. [8], financial decisions are sensitive to the level of education of women and men in progress and positively affect progress and development. In this way, the value and importance of information is determined. In other words, if the manager is given wrong and irrelevant information, his decisions will definitely be wrong. But if the manager is given correct and relevant information, his decisions will not be definitive, but most likely will be correct and suitable for the organization, of course, provided that the manager has the ability to make decisions and use the information. The information inside each system at any moment of time has a structure that forms the knowledge and awareness of that system. Therefore, according to the above contents, the main issue in the current research is to provide what will be a model of financial decisions and efficient financial knowledge to improve cost management in the shoe industry?

2 Methodology

This research was applied in terms of purpose and was done using mixed (quantitative and qualitative) method. In the qualitative part, the method of interviews and foundation data was used, and in the quantitative part, the structural equation method was used. The statistical population of the research in the qualitative part includes academic professors specializing in management and accounting, and in the quantitative part, it includes managers and specialists in the shoe and leather industry of East Azerbaijan Province. According to the principles of qualitative methods, 20 experts were selected for the interview and qualitative part of the research. In a quantitative method, 150 people were selected as a sample from managers and employees of the management and accounting department of the footwear and leather industry in East Azerbaijan Province. In order to analyze the data in qualitative method, MAXQDA software was used and in quantitative part, SMART PLS software was used. Analysis of grounded theory method in this research will be done by MAXQDA software. To analyze the obtained data, three types of coding will be used, which are: open coding, axial coding, and selective coding. In open coding, first, the content of all the interviews will be implemented and then their open coding will be done by coding the key points. In this way, the data collected in the interviews are written in a WORD file, and then open codes are created by analyzing the existing writings using MAXQDA software.

Open coding itself consists of three steps:

Open coding of the first stage, coding of the second stage, coding of the third stage.

In open coding, the first step: codes are identified.

In open coding, the second step: an explanation is provided for each code.

In the open coding of the third stage: the codes of the second stage are close to each other and merge together to form a code with a short title [14].

Axial coding of the second stage includes analysis in the foundation data method. The purpose of this step is to establish a relationship between the classes produced in the open coding step. This action is based on the paradigm model and helps the theorist to easily carry out the process of creating a theory. In axial coding, the codes generated in the previous step are linked to each other by creating communication networks between these codes. This process is achieved by analyzing the data obtained from open coding. Therefore, the purpose of axial coding is to sort the relationship between each concept [23]. When making connections in the network, it is necessary to check how these categories are related. This stage will be done by forming networks to establish connections between concepts, categories and components. Selective coding is the process of integration and improvement of categories. The point that should be considered at this stage of the research is that if the purpose of the research is theory building, the findings should be presented in mostly related concepts and not just a list of topics. It is important to note that there is always more than one way to show relationships. In order to achieve the desired integrity, it is necessary for the researcher to set the main line of the subject and to describe the main line of the story with commitment. In selective coding, the researcher discovers a principle and systematically relates one main category to other categories.

The main category should have the following characteristics: first, it should be obtained by the codes that are more central in the axial coding stage, second, it should show the most frequency in the coding process, third, and all the connections with the categories should be done spontaneously [27].

3 Findings

The statistical population of the research in the qualitative part included academic professors specializing in management and accounting and managers and specialists in the shoe and leather industry of East Azerbaijan province, who were aware of the research subject, and according to the purposeful selection, 20 of these people were identified as the research sample. Data saturation or theoretical saturation is an approach that is used in qualitative researches to determine the adequacy of sampling. Table 1 shows the characteristics of the samples of the current research in the qualitative section:

Table 1: Characteristics of research samples in the qualitative section

Number	Sex	Academic grade	Academic position
1	Male	PhD	University Professor
2	Male	PhD	University Professor
3	Female	PhD	University Professor
4	Male	PhD candidate	University Professor
5	Male	PhD	University Professor
6	Male	MSc	Shoe expert
7	Female	PhD	University Professor
8	Male	MSc	Shoe expert
9	Male	BSc	Shoe expert
10	Male	MSc	Shoe expert
11	Male	PhD	University Professor
12	Male	PhD	University Professor
13	Female	PhD	University Professor
14	Male	PhD candidate	Shoe expert
15	Male	PhD	University Professor
16	Female	MSc	Shoe expert
17	Female	PhD	University Professor
18	Male	MSc	Shoe expert
19	Male	BSc	Shoe expert
20	Male	MSc	Shoe expert

The results of the present study showed that 75% of the research samples were men and 25% of the research samples were women. The results of the present study also showed that 60 percent of the research samples had student and PhD degrees. Also, 55% of the research samples were university faculty members and 45% of the research samples were experts in the shoe industry (See table 1).

The current research in the qualitative part is a semi-structured interview. In order to check the validity and reliability of the interview questions, it was confirmed by some professors who are knowledgeable about the research topic and also knowledgeable about the research method in order to confirm the reliability of the research data. Also, in order to check the transferability, the research findings were examined by two experts in the desired field who did not participate in the research. Also, for reliability, research details and notes were recorded. On the other hand, in order to check the validity, all the texts created from the interviews and the extracted codes were sent to the participants of the research so that they could again confirm the extracted texts and codes. In the external audit section, the findings and coding paradigm were presented to three management and accounting professors for comment and their approval was obtained. To calculate the reliability of the retest, some interviews are selected as samples from among the conducted interviews, and each of them is recoded in a short and specific time interval. Then, the specified codes are compared in two-time intervals for each of the interviews, and the stability index for that research is calculated through the amount of agreement and non-agreement in the two stages of coding. In each of the interviews, the codes that are similar in two-time intervals are labeled as agreement and the codes that are not similar are labeled as disagreement. The following proposed index to calculate the test-retest reliability between the coding of the researcher in two-time intervals. Neutral coding method was used to check the accuracy of the coding. In this method, a person who has no mental background of the research subject is asked to check and recode the text of the interviews. For this purpose, the implemented text of the interviews was presented to a doctor outside the research at each stage. He was asked to code them based on his perception.

In the end, in order to check the agreement between the two coding, Kappa coefficient was calculated using SPSS software, and the results are presented in Table 2. If this coefficient is higher than 0.6 in meaningful conditions, it is good, and if it is more than 0.75, it indicates an excellent agreement between the coders. The results of the table below show that the quality of the coding done in this research is very accurate (see table 2).

Table 2: Kappa coefficient of the research

Kappa coefficient	Standard deviation	p
0.785	0.059	0.000

To check validity, believability, transferability and verifiability were used. For this purpose, the researcher used eight experts to confirm the research process and also used two coders to code several interview samples to ensure the uniformity of the coders' point of view. Also, to check transferability, the opinions of three experts who did not participate in the research were used. Also, in order to check the verifiability, recording and recording of all the interviews and checking them at the required times were used. The statistical method used in this study included the coding method. The coding done in this research was done in three sections: open, central and selective coding. In order to make efficient financial decisions and financial literacy to improve cost management in the shoe and leather industry, qualitative methods were used to review opinions.

In this research, the interview method has been used for data collection. The interviews were conducted face-to-face for 30 minutes. The questions were asked during a semi-structured interview and the participants answered them. The interviewees' expressions and opinions were recorded by a tape recorder. After the end of the interview session, the interview text was written word by word.

In this research, in order to respect the ethical tips before starting the interview, the participant was informed about the purpose of conducting the interview and the information obtained in the interview was used without mentioning the names of the participants, and he assured the participants that their statements would be confidential. Since the method of collecting data in this research was the deep interview method, it was tried to conduct the interviews carefully and without bias, as long as the questions were asked in sufficient quantity, another researcher in the same or similar situation repeated the process and obtained the same answers or similar answers. In other words, it can be said that the main way of maintaining validity and reliability of the data in this research was to record the interviews and confirm the final descriptions by experts. Table 3 shows the main categories and cods of the research.

3.1 Conceptual model of research

Cost is one of the most fundamental and important concepts in any business. The concept of cost is also of particular importance. In accounting, cost is the sum of the economic expenses that enter a business to earn more money. For this purpose, every business will seek to control and ultimately reduce costs to improve its performance. In fact, to increase business profits, costs must be reduced without reducing income. Costs are considered a very important and fundamental indicator in advancing business goals, so special rules have been proposed for this important part

Table 3: Specifying the main categories and codes

Categories	Codes
Efficiency of financial decisions	Reliance on financial statements and reports
	Having up-to-date information on the industry market
	Individual factors such as expertise and experience
	The existence of a financial management information system
	Analysis of financial statements
	Centralized system of financial decisions
Efficiency of financial literacy	Effective financial decisions in capital budgeting
	The need for managers to have financial literacy
	Knowledge required for financial reporting
	Financial literacy is the basis of financial decisions
	Having financial literacy for informed decisions
Control and reduce costs	Presence and use of financial advisors
	Buying raw materials at the lowest price
	Possibility of timely financing
	Environmental factors such as competition and technology
	Use of experienced manpower
	Financing at the lowest cost
	Appropriate selection of raw material suppliers
	Reducing the cost of the product
Effective strategies	Capital management to reduce costs in the industry
	Increasing efficiency in the industry
	Social factors such as industry participation
	Having knowledge of money management for cost management
	Creativity and innovation in the industry
Implications for cost management	Use of up-to-date technologies
	Increase sales and profits of the company
	Increasing the company's competitive power
	The prosperity of the shoe and leather industry
	Increase revenue generation
	Increasing variety by maintaining and improving quality

of accounting. Cost has different meanings and different definitions depending on the context of its application. In the accounting information system, the cost is generally manifested in the form of cash outflow in the past or the obligation to pay it in the future or the expiration of the value and consumption of assets. Creating and maintaining a costing culture with optimal performance in any organization requires the process, integration and systematization of the initiatives and measures taken in this field (creating an optimal costing system) with appropriate output and optimal utilization of employees' energy in Each level of organization has And these activities should only be in line with the company's operational activities. Cost management is a systematic and structured approach to understand the costs of an organization, with the aim of providing a general framework for controlling, reducing or eliminating costs. It can also be said that cost management is a system that supports management decisions and helps to develop and identify superior strategies that provide competitive advantage by using cost information. The important point is that cost management should focus more than on statistics. In addition, it should focus on prioritizing the activities and the work that the organization should do against its operational and strategic needs. Therefore, the pattern of financial decisions and efficient financial literacy to improve cost management in the shoe and leather industry can be explained as follows:

In accordance with the extraction model that has been developed to develop a model of financial decisions and efficient financial literacy to improve cost management in the shoe and leather industry:

- Efficiency of financial decisions include:
 - Relying on financial statements and reports
 - Having updated information about the industry market
 - Individual factors such as expertise and experience
 - The existence of a financial management information system
 - Analysis of financial statements
 - Centralized financial decision-making system
 - Effective financial decisions in capital budgeting
- Efficiency and financial literacy include:

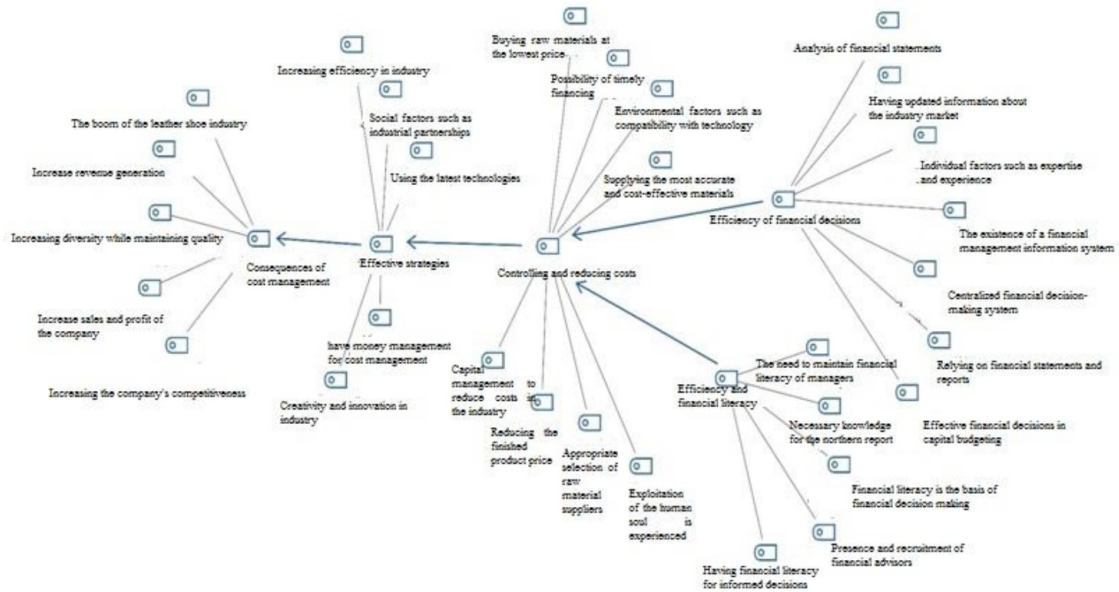


Figure 1: Model of financial decisions and efficient financial knowledge to improve cost management in the industry

The need to maintain financial literacy of managers
 Necessary knowledge for the northern report
 Financial literacy is the basis of financial decision making
 Having financial literacy for informed decisions
 Presence and recruitment of financial advisors

- Controlling and reducing costs include:
 - Buying raw materials at the lowest price
 - Possibility of timely financing
 - Environmental factors such as compatibility with technology
 - Exploitation of the human soul is experienced
 - Supplying the most accurate and cost-effective materials
 - Appropriate selection of raw material suppliers
 - Reducing the finished product price
 - Capital management to reduce costs in the industry
- Effective strategies include:
 - Increasing efficiency in industry
 - Social factors such as industrial partnerships
 - They had money management for cost management
 - Creativity and innovation in industry
 - Using the latest technologies
- Consequences of cost management including:
 - Increase sales and profit of the company
 - Increasing the company's competitiveness
 - The boom of the leather shoe industry
 - Increase revenue generation
 - Increasing diversity while maintaining quality

3.2 Quantitative findings

The statistical population of the research in the quantitative part, including the managers and employees of the management, accounting and financial departments of the shoe and leather industry of East Azerbaijan province, were aware of the research topic, and according to simple random selection, 150 of these people were identified as the research sample. Among the 150 employees who participated in this research, most of them were men (70.3%). Also, 80 people with bachelor’s degree (53.3 percent), 48 people with master’s degree and doctorate (31.8 percent).

To check the diagnostic validity of the constructs, the correlation matrix of the existing variables was used, and based on the results of the research, the significance level between the research variables is equal to 0.000, which is less than the value of 0.05, so the correlation is established between the research variables.

3.3 The fit of the operational model of the research

The analyzing of the composite validity and the extracted average variance of each item is shown in the table 4.

Table 4: General results of the research structures

Variable	Mean variance	Composite validity	Cronbach’s alpha	R ²
Effectiveness of financial decisions	0.654	0.845	0.786	0.96
Efficiency of financial knowledge	0.701	0.852	0.784	0.96
Cost control and reduction	0.549	0.816	0.717	0.96
Effective strategies	0.632	0.717	0.882	0.96
Implications for cost management	0.745	0.839	0.778	0.96

According to the above table, the numbers under the composite credit column are the Dillon-Goldstein coefficient, which values greater than 0.7 are acceptable for this criterion. The average values of the extracted variance-AVE- in the above table should be more than 0.5 which is shown in the mentioned table. To choose the best model, we use the global quality criterion that was proposed by Amato et al. [1]:

$$GOF = \sqrt{\overline{communality} \times \overline{R^2}} \tag{3.1}$$

$\overline{communality}$ measures the average share of each variable and the quality of the external model. $\overline{R^2}$ is the average of R^2 for each hidden exogenous variable. R^2 measures the quality of the internal model and is calculated for each endogenous variable according to the hidden variable that explains it. The fit higher than 0.36, that shows the better quality of the model which is well explained by partial least squares. The fit of this model is equal to 0.513.

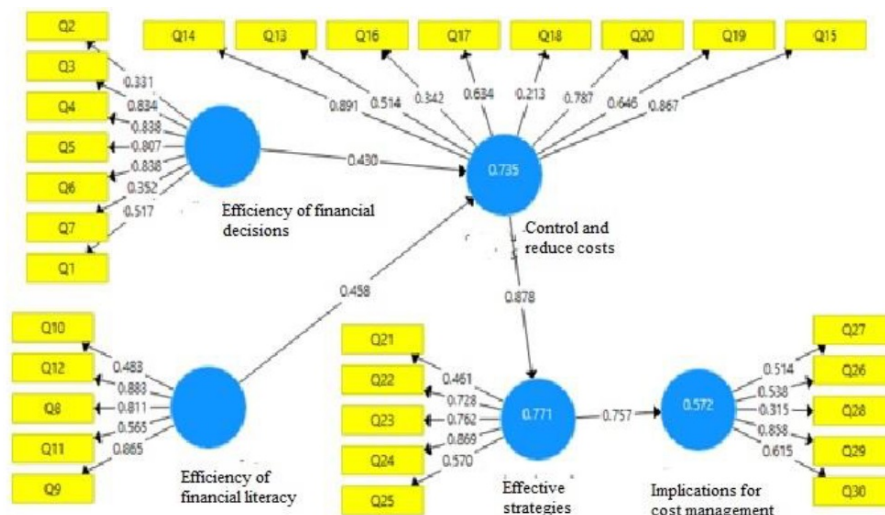


Figure 2: Path coefficient mode

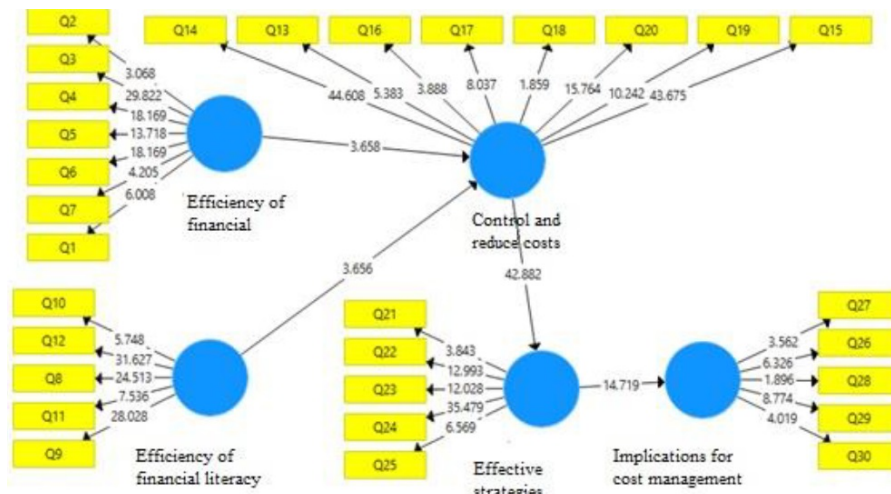


Figure 3: Significance Mode (T)

Table 5: Results of t values and path coefficient of the research variables

Objects	variables	t-values	path coefficients
Q1	Efficiency of financial decisions	6.008	0.517
Q2		3.068	0.331
Q4		18.169	0.838
Q5		13.718	0.807
Q6		18.169	0.838
Q7		4.205	0.352
Q9		28.028	0.865
Q10	Efficiency of financial literacy	5.748	0.483
Q11		7.536	0.565
Q12		31.627	0.883
Q13	Control and reduce costs	5.383	0.514
Q14		44.608	0.891
Q15		43.675	0.867
Q16		3.888	0.342
Q17		8.037	0.634
Q18		1.995	0.213
Q19		10.242	0.646
Q20		15.674	0.787
Q21	Effective strategies	3.843	0.461
Q22		12.993	0.728
Q23		12.028	0.762
Q24		35.479	0.869
Q25		6.569	0.570
Q26	Implications for cost management	6.326	0.538
Q27		3.562	0.514
Q28		1.996	0.315
Q29		8.774	0.858
Q30		4.019	0.615

According on the table 5, the results show that all t values for the research items are greater than 1.96.

Table 6: Results of t values and path coefficient of research variables

Independent variable	Dependent variable	t	Path coefficient	p
Effectiveness of Tamalian decisions	Cost control and reduction	3.685	0.430	≤ 0.001
Efficiency of financial literacy	Cost control and reduction	3.656	0.458	≤ 0.001
Cost control and reduction	Effective strategies	42.882	0.878	≤ 0.001
Effective strategies	Implications for cost management	14.179	0.757	≤ 0.001

According to the pattern of path analysis using partial least squares method:

The effect of the efficiency of financial decisions on cost control and reduction is equal to the t value of 3.685, which is greater than 1.96 and the path coefficient is 0.430; Therefore, it can be concluded that the efficiency of financial

decisions has a positive and significant effect on controlling and reducing costs in the shoe and leather industry.

The effect of the effectiveness of financial literacy on controlling and reducing costs is equal to the t-statistic value of 3.656, which is greater than 1.96 and the path coefficient is 0.458; Therefore, it can be concluded that the effectiveness of financial literacy has a positive and significant effect on controlling and reducing costs in the shoe and leather industry.

The impact of controlling and reducing costs on effective strategies is equal to the t-statistic value of 42.882, which is greater than 1.96 and the path coefficient is 0.878; Therefore, it can be concluded that controlling and reducing costs has a positive and significant impact on effective strategies in the shoe and leather industry.

The impact of effective strategies on the consequences of cost management is equal to the t statistic value of 14.179, which is greater than 1.96 and the path coefficient is 0.757; Therefore, it can be concluded that effective strategies have a positive and significant impact on the consequences of cost management in the shoe and leather industry (See table 6).

4 Discussion and conclusion

The main goal in manufacturing and industrial institutions is to make the right decisions in order to improve productivity (increase profits by keeping costs constant). One of the most important actions in this direction is the identification and management of costs. In fact, cost management in accounting enables decision makers to take the necessary decisions and perform the necessary actions in the shortest time based on the nature of the cost, which requires efficient financial decisions and financial literacy. Based on this, the results showed that the approved components in accordance with the pattern of financial decisions and efficient financial literacy to improve cost management in the shoe and leather industry are:

- Efficiency of financial decisions
- Efficiency and financial literacy
- Cost control and reduction
- Effective strategies
- Consequences of cost management

In explaining the results, it can be said that the success of the industry depends strongly on the level of literacy. Financial literacy is defined as the ability of managers to understand and analyze financial data in order to make financial decisions. Financial literacy is defined as the ability to evaluate new and complex financial tools and make informed judgments about the choice of tools and the level of use that will benefit them in the long term. Financial literacy is the knowledge of basic financial concepts and the ability to perform simple calculations. The importance of financial literacy has become important due to the introduction of new financial products and services, the complexity of financial markets and the rapidly changing economic environment. However, existing literature shows that there is no clear standard definition of financial literacy [13].

One of the most common success factors for shoe companies is cost management, especially among companies operating in developing countries. The cost management problem faced by companies around the world is related to the financial literacy of those who company managers [20]. Lack of financial knowledge affects a company's ability to achieve long-term goals such as day-to-day money management, retirement and financing. In technical terms, these managerial capabilities are referred to as financial knowledge. Financial literacy helps in making informed decisions in cost management and contributes to a person's better financial well-being.

Cost management means being a leader in reducing costs. So that other businesses and competitors cannot produce goods or services at a lower price than ours. In every part of the service, work or production process, the operation with the lowest cost should be considered as a value and the basis of an organization's decisions. In general, those companies can move towards a cost control strategy that to be very sensitive to both fixed and variable costs and be able to control them. The role of financial managers as leaders in the leadership strategy and cost management is very important. Many organizations consider only sales and profit as a suitable scale to measure financial success. It should be noted that many emerging businesses fail due to lack of liquidity, not due to low sales and profits. The problem of some companies that face a serious financial crisis is not their sales volume or the final price. Rather,

their problem is that they have to pay their debts and expenses quickly, and on the other hand, they need to face and accept the delay of customers in paying the price of goods and services.

Our results also showed that the causal relationships between the components and indicators of the model of financial decisions and efficient financial knowledge to improve cost management in the shoe and leather industry of East Azerbaijan Province are in the way that it can be concluded that the efficiency of financial decisions has a positive and significant effect on controlling and reducing costs in the shoe and leather industry. On the other hand, the effectiveness of financial knowledge has a positive and significant effect on controlling and reducing costs in the shoe and leather industry. Also, controlling and reducing costs has a positive and significant effect on effective strategies in the shoe and leather industry. On the other hand, it can be concluded that effective strategies have a positive and significant effect on the consequences of cost management in the shoe and leather industry.

In explaining the results, it can be stated that the lack of financial knowledge, even in some of the most developed financial markets in the world, is a serious concern and needs urgent attention. Many such programs to provide financial education in schools and colleges, the workplace and the larger community have taken into account the available evidence to develop detailed solutions. It is important to continue taking steps to improve financial literacy by achieving scale and efficiency in future programs. Financial literacy should be regarded as a basic right and universal need, not the privilege of a relatively few consumers who have special access to financial knowledge or advice. In today's world, financial literacy should be considered important as much as possible basic literacy, i.e. the ability to reading and writing. Individuals and societies cannot reach their full potentials without financial knowledge. Also, financial decisions are one of the most important resources needed for the costs of an industry. This means that investment decisions play a central role in finance. There are a number of investment methods that are primarily based on financial metrics, including multi-criteria, ratio, and portfolio approaches. Some methods go beyond mere financial considerations. Critical issues in all these investment methods are the balance between costs, revenues, risks and pricing that ultimately results in a profitable service, as understood by all industry and corporate partners. The cost structure of most businesses, including the shoe industry, is characterized by a high ratio of initial fixed costs to variable costs and a high degree of cost sharing (such as facilities, equipment, and people alike) and is used to provide multiple products. High fixed costs usually lead to economies of scale, and increasing production leads to lower average costs of production. Similarly, a high degree of cost sharing leads to economies of scope, by offering a mix of different products that leads to cost reduction.

Lusardi and Mitchell [12] showed that the least financially literate suffer from high transaction costs, pay higher fees and use high-cost borrowing methods. In their study, less knowledgeable people also frequently reported having too much debt and being unable to judge their debt situation. Similarly, Mottola [17] found that people with low financial literacy are more likely to engage in costly behavior.

Other results of the research in line with the consequences related to the pattern of financial decisions and efficient financial literacy to improve cost management in the shoe and leather industry of East Azerbaijan province include:

- Increase sales and profits of the company
- Increasing the company's competitive power
- The prosperity of the shoe and leather industry
- Increased revenue generation
- Increasing variety by maintaining and improving quality

The advantages of cost management and also the effect of executive cost management on the effectiveness of cost management systems have been relatively well researched, but at the same time, research related to the effect of strategic cost management on financial performance does not seem sufficient. Specifically, in the executive cost management literature, empirical evidence that can show the relationship between cost management systems and financial performance is limited and contradictory. Among the possible reasons for this issue is the lack of attention of previous researches to structural cost management.

Structural cost management can not only potentially affect financial performance, but can also influence the relationship between executive cost management and financial performance as an interventionist. In fact, management accounting tools used in cost performance measurement of executive cost management may be able to provide appropriate cost knowledge for value chain redesign. On the other hand, redesigning different cost structures (structural cost management) can also improve financial performance.

Finally, how was the validity of the model of financial decisions and efficient financial literacy to improve cost management in the footwear and leather industry of East Azerbaijan Province confirmed. The relationship between the variables indicates that due to the complexities in the financial industry, there is a requirement for customers to be more active in making decisions and choices. In this regard, financial literacy can be very beneficial for people because they can evaluate financial products from different institutions with the knowledge and skills they have in this field and decide whether that product is suitable for their situation or not. Therefore, financial literacy can help people in achieving and improving their financial capacity. A positive change in the level of attitude and understanding of basic financial concepts related to financial services is associated with an increase in the level of finance in terms of access, use and quality among employees. It is clear that when employees have skills and knowledge about financial services, they are able to Understand why and how financial services are used to achieve a satisfactory outcome.

In general, a high level of financial literacy and a positive financial attitude among employees increases the feeling of greater power and evaluation judgment in financial decisions in the field of savings, credit, insurance and payment. The previous evaluations and the results of this research are justifications that show the value of financial literacy in order to achieve financial behaviour, which results in positive changes in people's lives.

The important suggestion based on the findings is to consider the development and implementation of separate financial education programs (practical and theoretical) to increase the level of financial literacy. The shoe industry in the production sector has a high risk due to high investment, so frequent training should be organized for the entrepreneurs of the production sector in their field of activity. On the other hand, it is suggested that managers and financial experts of companies pay attention to financial initiatives, which are one of the important tools of structural cost management because in this way, they can achieve greater coordination between the organization's resources and the relevant cost structure through the adoption of long-term strategies. re-engineering the value chain and designing different cost structures).

According to the current findings, another important suggestion for policymaking is that a better understanding of general and specific financial literacy and its determinants can help actors such as government agencies, educators and others to formulate and policies at the provincial and national levels.

Furthermore, it is suggested to increase financial knowledge among employees through continuous, designed and targeted organizational and financial incentives, because it improves the ability to understand financial services and has positive effects on people's attitudes and trust in financial decisions. It is also recommended for future studies, factors affecting cost management in the footwear industry should be evaluated using fuzzy hierarchical methods. In addition, researchers can check the level of financial knowledge of managers of companies involved in the shoe and leather industry using data mining methods. This study was limited by the considered factors (financial decisions and financial knowledge) used in this research and maybe, other factors have different effects on cost management in different situations such as economic crises.

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